

MERCY MARICOPA INTEGRATED CARE
STATEMENT OF FINANCIAL POSITION
AS OF: March 31, 2015

ASSETS

CURRENT ASSETS

101	Cash (Disclose on Schedule A)	170,087,077
102	Current Investments	-
103	Accounts Receivable (net) (Disclose on Schedule A)	12,680,299
104	Notes Receivable (current portion)	5,000,000
105	Prepaid Expenses	1,021,868
106	Other Current Assets (Disclose on Schedule A)	-
107	Total Current Assets	188,789,244

NON-CURRENT ASSETS

108	Land	-
109	Building	-
110	Leasehold Improvements	-
111	Furniture and Equipment	3,845,414
112	Vehicles	-
113	Total Property and Equipment	3,845,414
114	Less: Accumulated Depreciation	769,083
115	Net Property and Equipment	3,076,331
116	Notes Receivable (net of current portion)	-
117	Performance Bond (Disclose on Schedule A)	-
118	Long Term Investments	520,567 *
119	Deposits	-
120	Other Noncurrent Assets (Disclose on Schedule A)	-
121	Total Noncurrent Assets	3,596,898
122	TOTAL ASSETS	192,386,142

LIABILITIES AND NET ASSETS/EQUITY

CURRENT LIABILITIES

201	Incurred But Not Reported Claims (Disclose on Sch. A)	77,617,796 **
202	Reported But Unpaid Claims	5,586,036 **
203	Payable to ADHS (Disclose on Schedule A)	234,547
204	Payable to Providers	4,976,578
205	Trade Accounts Payable	-
206	Accrued Salaries and Benefits	-
207	Long-term Debt (current portion)	-
208	Deferred Revenue (Disclose on Schedule A)	-
209	Risk Pool Payable	-
210	Other Current Liabilities (Disclose on Schedule A)	1,479,313
211	Total Current Liabilities	89,894,270

NON-CURRENT LIABILITIES

212	Long-term debt (net of current portion)	-
213	Loss Contingencies (Disclose on Schedule A)	-
214	Other Noncurrent Liabilities (Disclose on Schedule A)	9,738,897
215	Total Noncurrent Liabilities	9,738,897
216	TOTAL LIABILITIES	99,633,167
217	NET ASSETS/EQUITY	
	Unrestricted Net Assets	92,752,975
	Restricted Net Assets (Disclose on Schedule A)	-
218	TOTAL LIABILITIES AND NET ASSETS/EQUITY	192,386,142

* Restricted Investment required to remain in trust by the State of Arizona, Dept of Ins. for the duration of the Organization's contract with ADHS. This is related to the Medicare business.

** Balance includes \$2,854,748 for MMA IBNR/RBUC Reserve balance.

MERCY MARICOPA INTEGRATED CARE
STATEMENT OF FINANCIAL POSITION
AS OF:
Schedule A Disclosure

March 31, 2015

ASSETS:				LIABILITIES:			
Cash				IBNR Claims Estimate			
	Unrestricted		170,087,077	Current Year			75,128,458
	Restricted			MMA	IBNR		2,489,338
Total Cash			<u>170,087,077</u>				
Accounts Receivable				Total IBNR			
ADHS				<u>77,617,796</u>			
	Program ID	Category ID		Payable to ADHS (Detail of Line 203)			
Current Year				Current Year	Program ID	Category ID	
	MHBG SED	MHBG SED	27,172		NTXIX/XXI Crisis	General Fund Excess Profit	20,406
	County	Maricopa County IGA	129,147		Supported Housing for TXIX S	General Fund Excess Profit	4,907
	MHBG SMI	MHBG SMI	44,492		NTXIX/XXI SMI	General Fund Excess Profit	104,019
	SABG	SABG - Pregnant Women	1,004,070		SB1616 Housing	General Fund Excess Profit	215
	SABG	SABG - Prevention	1,651,818		MHBG SED	Sanctions	530
	SABG	SABG - General Services	4,571,469		TXIX/XXI Non CMDP Child	Sanctions	22,332
	SABG	SABG - Crisis	(712,896)		NTXIX/XXI SMI	Sanctions	8,265
	NTXIX/XXI SMI	NT SMI Services	2,120,774		MHBG SMI	Sanctions	598
	NTXIX/XXI Other	City of Phoenix - LARC	50,000		TXIX/XXI SMI Non Integrated	Sanctions	51,575
	SB1616 Housing	SB1616	881		SABG	Sanctions	3,024
	PASRR/ADOH	Bridge Subsidy - ADOH	62,850		TXIX/XXI GMH/SA	Sanctions	17,361
					NTXIX/XXI Crisis	Sanctions	1,315
				Total Payable to ADHS		<u>234,547</u>	
				Deferred Revenue from: (Detail of Line 208)			
				ADHS		Category ID	
				Current Year			
				Non-ADHS &/or Unrelated Business			
Current Period	FFS Claims Adjustments		627,110	Current Year			
	Part D Recon - CMS		731,667	Prior Year			
	Reinsurance Receivable		3,358				
	CVS Rebate Receivable		2,056,408				
	Due from Aetna	Reimbursable Expenses - AP	311,980				
				Total Deferred Revenue		<u>-</u>	
				Other Current Liabilities (Detail of Line 210)			
				Due to Aetna		Management Fee	4,756
				Community Reinvestment		1,474,557	
				Total Other Current Liabilities		<u>1,479,313</u>	
				Loss Contingencies (Detail of Line 213)			
				Identify Loss Contingencies		-	
				Total Loss Contingencies		<u>-</u>	
				Other Noncurrent Liabilities (Detail of Line 214)			
				Due to District		9,738,897	
				Total Other Noncurrent Liabilities		<u>9,738,897</u>	
				Restricted Net Assets (Detail of Line 217)			
				Identify Restricted Net Assets		-	
				Total Restricted Net Assets		<u>-</u>	
				Payables to ADHS - Other* Category			
Disclose items recorded as "Other" in the category for Payable to ADHS Section							

MERCY MARICOPA INTEGRATED CARE
STATEMENT OF FINANCIAL POSITION
PRIOR PERIOD ADJUSTMENTS
AS OF:

March 31, 2015

ASSETS

	Amount Related to Prior Contract Year 2014	Amount Related to Prior Contract Year 2013	Amount Related to Prior Contract Year 2012	Total Adjustment
<u>CURRENT ASSETS</u>				
101 Cash	0	0	0	0
102 Current Investments	0	0	0	0
103 Accounts Receivable (net)	0	0	0	0
104 Notes Receivable (current portion)	0	0	0	0
105 Prepaid Expenses	0	0	0	0
106 Other Current Assets	0	0	0	0
107 Total Current Assets	0	0	0	0
<u>NON-CURRENT ASSETS</u>				
108 Land	0	0	0	0
109 Building	0	0	0	0
110 Leasehold Improvements	0	0	0	0
111 Furniture and Equipment	0	0	0	0
112 Vehicles	0	0	0	0
113 Total Property and Equipment	0	0	0	0
114 Less: Accumulated Depreciation	0	0	0	0
115 Net Property and Equipment	0	0	0	0
116 Notes Receivable (net of current portion)				
117 Performance Bond				
118 Long Term Investments	0	0	0	0
119 Deposits	0	0	0	0
120 Other Noncurrent Assets	0	0	0	0
121 Total Noncurrent Assets	0	0	0	0
122 TOTAL ASSETS	0	0	0	0

LIABILITIES AND NET ASSETS/EQUITY

<u>CURRENT LIABILITIES</u>				
201 Incurred But Not Reported Claims	0	0	0	0
202 Reported But Unpaid Claims	0	0	0	0
203 Payable to ADHS	0	0	0	0
204 Payable to Providers	0	0	0	0
205 Trade Accounts Payable	0	0	0	0
206 Accrued Salaries and Benefits	0	0	0	0
207 Long-term Debt (current portion)	0	0	0	0
208 Deferred Revenue	0	0	0	0
209 Risk Pool Payable	0	0	0	0
210 Other Current Liabilities	0	0	0	0
211 Total Current Liabilities	0	0	0	0
<u>NON-CURRENT LIABILITIES</u>				
212 Long-term debt (net of current portion)	0	0	0	0
213 Loss Contingencies	0	0	0	0
214 Other Noncurrent Liabilities	0	0	0	0
215 Total Noncurrent Liabilities	0	0	0	0
216 TOTAL LIABILITIES	0	0	0	0
217 NET ASSETS/EQUITY				
Unrestricted Net Assets	0	0	0	0
Restricted Net Assets	0	0	0	0
218 TOTAL LIABILITIES AND NET ASSETS/EQUITY	0	0	0	0

MERCY MARICOPA INTEGRATED CARE
STATEMENT OF CHANGES IN NET ASSETS / EQUITY
AS OF : March 31, 2015

			Initial Capital	Additional Capital	Net Assets / Retained Earnings	Unrealized Gains (Losses) on Securities	Total
Beginning Balance:	April 1, 2014		30,658,474	37,500,000	-		68,158,474
* ADHS Net Surplus / Net Earning for the period ended:		March 31, 2015		-	28,017,128		28,017,128
* Medicare Net Surplus / Net Earning for the period ended:					(3,422,824)		(3,422,824)
Other Comprehensive Income:							-
Unrealized Gains (Losses) on Securities						197	197 ***
Dividends Paid							-
** Prior Period Adjustments							-
Ending Balance:	March 31, 2015						-
			30,658,474	37,500,000	24,594,304	197	92,752,975

* Net of Dividends Paid

** Disclosure of Prior Period Adjustments

*** This is a gain on Restricted Investment required to remain in trust by the State of Arizona, Dept of Insurance for the duration of the Organization's contract with ADHS for the Medicare business.

	TXIX/XXI Non CMDP Child	TXIX/XXI CMDP Child	TXIX/XXI DD Child	TXIX/XXI GMH/SA	TXIX/XXI DD Adult	TXIX/XXI SMI Integrated	TXIX/XXI SMI Non Integrated	NTXIX/XXI Crisis	NTXIX/XXI SMI	NTXIX/XXI Other	Supported Housing for TXIX SMI	SB1616 Housing	MHBG SED	MHBG SMI	SABG	Other Federal	County	PASRR/ ADOH	Sub-Total	Mgmt & Gen	ADHS Total	Medicare	Total
REVENUE																							
401 Revenue Under ADHS Contract																							
a ADHS Revenue	125,812,597	88,962,743	8,792,408	170,782,954	12,664,901	504,640,237	4,337,016	9,128,037	50,546,707	200,000	2,195,267	108,000	2,672,473	2,866,455	19,128,436	-	47,478,898	45,300	1,050,362,428	-	1,050,362,428	-	1,050,362,428
b Reconciliation Settlement/Profit Risk Adjustment	-	-	-	-	-	-	-	(20,406)	(810,867)	-	(4,907)	(215)	-	-	-	-	-	-	(836,395)	-	(836,395)	-	(836,395)
402 Specialty & Other Grants*	-	-	-	-	-	-	-	-	-	62,046	-	-	-	-	-	-	-	377,098	439,144	-	439,144	-	439,144
403 Interest/Investment Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,950	1,950
404 CMS Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,800,640	26,800,640
490 TOTAL REVENUE	125,812,597	88,962,743	8,792,408	170,782,954	12,664,901	504,640,237	4,337,016	9,107,631	49,735,840	262,046	2,190,360	107,785	2,672,473	2,866,455	19,128,436	-	47,478,898	422,398	1,049,965,177	-	1,049,965,177	26,802,590	1,076,767,767
EXPENSES																							
Service Expenses:																							
501 Treatment Services																							
a Counseling	5,130,923	4,228,393	87,206	7,265,099	425,098	6,192,651	50,641	-	-	-	-	-	190,979	8,219	233,631	-	32,996	-	23,845,838	-	23,845,838	-	23,845,838
# Counseling, Individual	5,635,897	2,907,639	188,557	409,693	54,114	256,643	2,099	-	-	-	-	-	185,964	-	30,698	-	8,010	-	9,679,313	-	9,679,313	-	9,679,313
# Counseling, Family	1,246,152	819,995	16,873	6,012,170	16,407	1,342,260	10,977	-	-	-	-	-	21,748	28,745	1,018,981	-	14,263	-	10,548,571	-	10,548,571	-	10,548,571
b Assessment, Evaluation and Screening	11,109,513	5,556,473	264,393	12,797,766	636,355	7,581,101	61,996	-	2,613,954	-	-	-	281,752	574,690	804,906	-	888,391	-	43,171,289	-	43,171,289	-	43,171,289
c Other Professional	724,329	317,294	-	77,909	-	47,545	389	-	-	-	-	-	50,699	413,298	53,151	-	9,859	-	1,694,473	-	1,694,473	-	1,694,473
d Total Treatment Services	23,846,814	13,829,794	557,029	26,562,637	1,131,974	15,420,200	126,101	-	2,613,954	-	-	-	731,143	1,024,951	2,141,368	-	953,520	-	88,939,484	-	88,939,484	-	88,939,484
502 Rehabilitation Services																							
a Living Skills Training	11,995,586	10,825,561	940,965	1,546,575	656,444	22,062,860	180,423	-	2,747,207	-	-	-	458,849	-	35,530	-	239,127	-	51,689,128	-	51,689,128	-	51,689,128
b Cognitive Rehabilitation	-	-	-	-	-	201	2	-	-	-	-	-	-	-	-	-	-	-	203	-	203	-	203
c Health Promotion	705,137	205,820	4,275	873,063	73,715	5,636,171	46,091	-	1,572,089	-	-	-	8,445	9,472	15,560	-	135,951	-	9,285,789	-	9,285,789	-	9,285,789
d Supported Employment Services	113,806	101,397	206	2,298,825	678,728	20,983,494	171,596	-	-	-	-	-	4,271	-	56,123	-	593,441	-	31,528,756	-	31,528,756	-	31,528,756
e Total Rehabilitation Services	12,814,529	11,132,778	945,446	4,718,464	1,408,887	48,682,727	398,111	-	10,846,165	-	-	-	471,566	9,472	107,213	-	968,519	-	92,503,876	-	92,503,876	-	92,503,876
503 Medical Services																							
a Medication Services	-	-	-	5,808,343	-	671,856	5,494	-	-	-	-	-	-	-	494,575	-	48,646	-	7,028,915	-	7,028,915	-	7,028,915
b Medical Management	4,274,267	1,307,361	136,655	6,767,414	644,253	9,396,077	76,838	-	6,309,112	-	-	-	131,620	7,411	293,705	-	574,333	-	29,919,045	-	29,919,045	-	29,919,045
c Laboratory, Radiology & Medical Imaging	238,598	66,453	9,526	1,763,440	70,261	1,357,837	11,104	-	1,640,271	-	-	-	-	-	885	-	141,039	-	5,299,414	-	5,299,414	-	5,299,414
d Electro-Convulsive Therapy	-	-	-	-	-	586,307	4,795	-	-	-	-	-	-	-	-	-	541	-	591,642	-	591,642	-	591,642
e Total Medical Services	4,512,865	1,373,814	146,182	14,339,197	714,513	12,012,077	98,231	-	7,949,383	-	-	-	131,620	7,411	789,164	-	764,559	-	42,839,016	-	42,839,016	-	42,839,016
504 Support Services																							
a Case Management	26,218,087	23,211,151	990,969	12,673,279	1,774,958	63,751,360	521,338	-	122,232	-	-	-	973,773	1,180,330	1,170,760	-	5,896,798	-	138,485,035	-	138,485,035	7,417,025	145,902,060
b Personal Care Services	28,412	-	356	4,163,490	279,590	38,536,094	315,135	-	1,460,851	-	-	-	-	5,981	1,833,345	-	1,006,870	-	47,630,044	-	47,630,044	-	47,630,044
c Family Support	3,436,060	1,668,222	178,519	26,771	72,962	340,981	2,788	-	247,995	-	-	-	92,105	-	887	-	6,088,611	-	6,088,611	-	6,088,611	-	6,088,611
d Peer Support	85,135	36,374	3,274	971,844	150,038	7,585,682	62,033	-	3,046,918	-	-	-	4,534	-	133,760	-	317,514	-	12,397,107	-	12,397,107	-	12,397,107
e Home Care Training to Home Care Client	398,922	3,139,310	48,975	96,222	-	429,774	3,515	-	-	-	-	-	-	-	-	-	-	-	4,116,717	-	4,116,717	-	4,116,717
f Unskilled Respite Care	1,979,941	536,647	22,762	145,040	1,288	380,496	3,112	-	-	-	-	-	8,939	-	-	-	768	-	3,221,496	-	3,221,496	-	3,221,496
g Supported Housing*	-	-	-	-	-	-	-	-	1,189,986	-	2,019,646	100,000	-	-	-	-	4,105,203	-	7,414,836	-	7,414,836	-	7,414,836
h Flex Fund Services	-	-	-	-	-	-	-	-	-	-	-	-	114,625	17,267	-	-	268,815	-	400,707	-	400,707	-	400,707
i Transportation	5,158,768	3,007,632	108,051	5,733,449	767,180	31,399,247	256,773	-	8,147,465	-	-	-	101,595	33,900	239,773	-	1,228,588	-	56,182,419	-	56,182,419	-	56,182,419
j Total Support Services	37,305,325	31,599,335	1,352,907	23,810,096	3,045,934	142,423,634	1,164,694	-	14,224,387	-	2,019,646	100,000	1,429,135	1,237,477	3,378,525	-	12,845,878	-	275,936,972	-	275,936,972	7,417,025	283,353,997
505 Crisis Intervention Services																							
a Crisis Intervention - Mobile	3,842,174	4,315,949	1,221,252	7,696,803	-	5,582,945	-	-	3,109,944	-	-	-	-	-	372,309	-	7,392,815	-	33,534,191	-	33,534,191	-	33,534,191
b Crisis Intervention - Stabilization	584,804	63,946	72,914	18,826,987	-	12,894,303	-	-	4,411,596	-	185,012	-	-	-	3,740,551	-	10,525,702	-	51,305,815	-	51,305,815	-	51,305,815
c Crisis Intervention - Telephone	-	-	-	1,950,011	-	2,721,620	-	-	876,254	-	-	-	-	-	-	-	1,886,605	-	7,434,490	-	7,434,490	-	7,434,490
d Total Crisis Intervention Services	4,426,977	4,379,895	1,294,166	28,473,801	-	21,198,868	-	-	8,397,793	-	185,012	-	-	-	4,112,861	-	19,805,121	-	92,274,496	-	92,274,496	-	92,274,496
506 Inpatient Services																							
a Hospital																							
# Psychiatric (Provider Types 02 & 71)	10,396,260	3,907,228	271,233	19,439,729	1,087,736	40,065,644	327,644	-	-	-	-	-	-	-	-	-	3,169,108	-	78,664,581	-	78,664,581	-	78,664,581
# Detoxification (Provider Types 02 & 71)	29,434	3,219	-	252,856	-	31,560	258	-	-	-	-	-	-	-	-	-	-	-	317,327	-	317,327	-	317,327
b Sub acute Facility																							
# Psychiatric (Provider Types B5 & B6)	-	-	-	1,701,534	280,635	4,723,075	38,624	-	-	-	-	-	-	-	-	-	-	-	6,743,867	-	6,743,867	-	6,743,867
# Detoxification (Provider Types B5 & B6)	-	-	-	1,003,814	-	127,464	1,042	-	-	-	-	-	-	-	787,162	-	-	-	1,919,482	-	1,919,482	-	1,919,482
c Residential Treatment Center (RTC)																							
Psychiatric - Secure & Non-Secure Provider Types																							
# 78.B1,B2,B3)	4,521,535	7,191,089	375,337	236,824	-	30,177	247	-	-	-	-	-	-	-	-	-	7,440	-	12,362,649	-	12,362,649	-	12,362,649
Detoxification - Secure & Non-Secure (Provider																							
# Types (78.B1,B2,B3)	404	20,276	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,680	-	20,680	-	20,680
d Inpatient Services, Professional	180,661	114,828	14,364	447,969	51,332	881,741	7,211	-	-	-	-	-	-	-	-	-	4,440	-	1,702,545	-	1,702,545	-	1,702,545
e Total Inpatient Services	15,128,293	11,236,640	660,934	23,082,725	1,419,703	45,859,660	375,025	-	-	-	-	-	-	-	787,162	-	3,180,988	-	101,731,131	-	101,731,131	-	101,731,131
507 Residential Services																							
a Behavioral Health Residential Facilities	1,218,442	3,810,259	33,341	11,589,309	384,458	47,606,776	389,313	-	-	-	-	-	-	-	1,734,727	-	69,908	-	66,836,534	-	66,836,534	-	66,836,534
b Reserved for Future Use	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c Room and Board	-	-	-	-	-	-	-	-	-	-	-	-	-	-	761,110	-	2,191,405	-	2,952,515	-	2,952,515	-	2,952,515
d Total Residential Services	1,218,442	3,810,259	33,341	11,589,309	384,458	47,606,776	389,313	-															

March 31, 2015

DISCLOSURE OF SPECIALTY AND OTHER GRANTS REPORTED ON LINE 402																				
ADOH Bridge Subsidy																		377,098	377,099	377,099
Mental Health First Aid										21,568									21,568	21,568
LARC Improvements										40,478									40,477	40,477
Total Other Grants										62,046									377,098	439,144
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

DISCLOSURE OF ALL OTHER BEHAVIORAL HEALTH SERVICES ON LINE 511																
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
PASRRR															45,300	45,300
Total All Other Behavioral Health Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45,300	45,300

DISCLOSURE OF ALL OTHER OPERATING ON LINE 608																					
Board Meeting Expenses	299	211		406	30	1,191	10	22	122	1	5	0	7	6	47	-	111	-	2,491	-	2,491
Dues & Filing Fees	3,737	2,642	262	5,074	377	14,883	129	279	1,519	8	67	3	92	76	587	-	1,393	-	31,128	-	31,128
Bank Service Charges	100	71	7	136	10	400	3	7	41	0	2	0	2	2	16	-	37	-	837	-	837
RFP Expenses	(101,000)	(71,400)	(7,078)	(137,154)	(10,193)	(402,258)	(3,488)	(7,530)	(41,067)	(220)	(1,811)	(90)	(2,478)	(2,044)	(15,878)	-	(37,645)	-	(841,334)	-	(841,334)
Office Equip	2,170	1,534	152	2,947	219	8,644	75	162	882	5	39	2	53	44	341	-	809	-	18,078	-	18,078
Marketing	978	691	69	1,328	99	3,894	34	73	398	2	18	1	24	20	154	-	364	-	8,143	-	8,143
Promotions & Sponsorships	17,780	12,569	1,246	24,145	1,794	70,813	614	1,326	7,229	39	319	16	436	360	2,795	-	6,627	-	148,108	-	148,108
Insurance - General Liab	98,925	69,932	6,932	134,336	9,984	393,992	3,416	7,375	40,223	216	1,774	88	2,427	2,002	15,552	-	36,872	-	824,045	-	824,045
Interest on Claims	3,575	447	-	12,197	-	66,818	51	-	5,063	-	-	-	-	-	-	-	8,481	-	96,632	-	96,632
Sanctions	22,970	-	-	17,857	-	-	53,048	1,353	8,501	-	-	-	1,573	615	3,110	-	-	-	109,027	-	109,027
Total All Other Operating	49,533	16,698	1,611	61,272	2,320	158,377	53,893	3,067	22,911	50	412	20	2,137	1,080	6,724	-	17,050	-	397,156	-	397,156

[illegible]

	TXIX/XXI Non CMDP Child	TXIX/XXI CMDP Child	TXIX/XXI DD Child	TXIX/XXI GMH/SA	TXIX/XXI DD Adult	TXIX/XXI SMI Integrated	TXIX/XXI SMI Non Integrated	NTXIX/XXI Crisis	NTXIX/XXI SMI	NTXIX/XXI Other	Supported Housing for TXIX SMI	SB1616 Housing	MHBG SED	MHBG SMI	SABG	Other Federal	County	PASRR/ ADOH	Sub-Total	Mgmt & Gen	ADHS Total	
DISCLOSURE OF ADMINISTRATIVE EXPENSES FROM SPECIALTY AND OTHER GRANTS ON LINE 651 Itemization of Items Reported on Line 651																				-	-	0
Total Adm Expenses from Specialty and Other Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DISCLOSURE OF OTHER, NON-ADHS, NON-OPERATING AND UNRELATED BUSINESS EXPENSES LINE 710																						
Community Reinvestment																				-	(1,474,557)	(1,474,557)
Total Other, Non-ADHS, Non-Operating and Unrelated Business Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,474,557)	(1,474,557)

EXPENSES LINE 501C

EXPENSES LINE 570I - MISCELLANEOUS MEDICAL EXP

Expenses for TXIX Child, TXIX CMDP & DD Child, TXXI Child & TXIX GMHSA reported on this line were not for traditional healing or Auricular Acupuncture.
TXIX/XXI SMI Integrated Miscellaneous Medical are Outpatient expenses not specifically identified in any other service expense category.

CONTRACT YEAR TO DATE AS OF: March 31, 2015

	TXIX/XXI	TXIX/XXI	TXIX/XXI	TXIX/XXI	TXIX/XXI	TXIX/XXI SMI	TXIX/XXI SMI	NTXIX/XXI Crisis	NTXIX/XXI SMI	NTXIX/XXI Other	Supported Housing for TXIX SMI	SB1616 Housing	MHBG SED	MHBG SMI	SABG	Other Federal	County	PASRR/ ADOH	Sub-Total	Mgmt & Gen	ADHS Total Prior		Total Prior Period
																					Period	Adjustments	
REVENUE																							
401	Revenue Under ADHS Contract																						
a	ADHS Revenue																						
b	Reconciliation Settlement/Profit Risk Adjustment																						
402	Specialty & Other Grants*																						
403	Interest/Investment Income																						
404	CMS Revenue																						
490	TOTAL REVENUE																						
EXPENSES																							
Service Expenses:																							
501	Treatment Services																						
a	Counseling																						
#	Counseling, Individual																						
#	Counseling, Family																						
b	Counseling, Group																						
c	Assessment, Evaluation and Screening																						
d	Other Professional																						
	Total Treatment Services																						
502	Rehabilitation Services																						
a	Living Skills Training																						
b	Cognitive Rehabilitation																						
c	Health Promotion																						
d	Supported Employment Services																						
e	Total Rehabilitation Services																						
503	Medical Services																						
a	Medication Services																						
b	Medical Management																						
c	Laboratory, Radiology & Medical Imaging																						
d	Electro-Convulsive Therapy																						
e	Total Medical Services																						
504	Support Services																						
a	Case Management																						
b	Personal Care Services																						
c	Family Support																						
d	Peer Support																						
e	Home Care Training to Home Care Client																						
f	Unskilled Respite Care																						
g	Supported Housing*																						
h	Flex Fund Services																						
i	Transportation																						
j	Total Support Services																						
505	Crisis Intervention Services																						
a	Crisis Intervention - Mobile																						
b	Crisis Intervention - Stabilization																						
c	Crisis Intervention - Telephone																						
d	Total Crisis Intervention Services																						
506	Inpatient Services																						
a	Hospital																						
#	Psychiatric (Provider Types 02 & 71)																						
#	Detoxification (Provider Types 02 & 71)																						
b	Sub acute Facility																						
#	Psychiatric (Provider Types B5 & B6)																						
#	Detoxification (Provider Types B5 & B6)																						
c	Residential Treatment Center (RTC)																						
	Psychiatric - Secure & Non-Secure Provider Types																						
#	78.B1,B2,B3)																						
	Detoxification - Secure & Non-Secure (Provider																						
#	Types (78.B1,B2,B3)																						
d	Inpatient Services, Professional																						
e	Total Inpatient Services																						
507	Residential Services																						
a	Behavioral Health Residential Facilities																						
b	Reserved for Future Use																						
c	Room and Board																						
d	Total Residential Services																						
508	Behavioral Health Day Program																						
a	Supervised Day Program																						
b	Therapeutic Day Program																						
c	Medical Day Program																						
d	Total Behavioral Health Day Program																						
509	Prevention Services																						
a	Prevention																						
b	HIV																						
c	Total Prevention Services																						
510	Pharmacy Expenses																						
a	Pharmacy Expense																						
b	Less Pharmacy Rebate Received																						
c	Pharmacy Rebate Related Expense																						
d	Total Pharmacy Expense																						
511	Other ADHS Service Expenses Not Rpt'd Above*																						
513	Subtotal Behavioral Health Service Expenses																						
520	Specialty and Other Grant Expenses*																						
540	Total Behavioral Health Services Expense																						
580	Total Physical Health Services Expense																						
585	Total Service Expense																						
589	Less: Third Party Liability																						
590	Net Total Service Expense																						
599	Gross Profit/(Loss) from Operations																						

*DISCLOSE ON SCHEDULE A

		NTXIX/XXI Crisis	NTXIX/XXI SMI	NTXIX/XXI Other	Supported Housing for TXIX SMI	SB1616 Housing	MHBG SED	MHBG SMI	SABG	Other Federal	County	PASRR/ ADOH	Total
REVENUE													
401	Revenue Under ADHS Contract												
a	ADHS Revenue	6,685,002	38,807,983	150,000	1,646,450	-	2,015,022	2,244,647	14,700,529	-	35,058,372	32,400	101,340,404
b	Reconciliation Settlement/Profit Risk Adjustment	(20,406)	(104,018)	-	(4,907)		-	-	-	-	-	-	(129,331)
402	Specialty & Other Grants*	-	-	48,870	-	-	-	-	-	-	-	282,823	331,693
403	Interest/Investment Income	-	-	-	-	-	-	-	-	-	-	-	-
404	CMS Revenue												
490	TOTAL REVENUE	6,664,596	38,703,965	198,870	1,641,543	-	2,015,022	2,244,647	14,700,529	-	35,058,372	315,223	101,542,766
EXPENSES													
Service Expenses:													
501	Treatment Services												
a	Counseling												
1	Counseling, Individual	-	-	-	-	-	143,334	6,994	186,946	-	22,256	-	359,530
2	Counseling, Family	-	-	-	-	-	139,570	-	24,564	-	5,403	-	169,537
3	Counseling, Group	-	-	-	-	-	16,323	24,461	815,366	-	9,621	-	865,770
b	Assessment, Evaluation and Screening	-	1,892,890	-	-	-	211,461	489,039	644,068	-	599,225	-	3,836,683
c	Other Professional	-	-	-	-	-	38,051	351,700	42,531	-	6,650	-	438,932
d	Total Treatment Services	-	1,892,890	-	-	-	548,738	872,193	1,713,475	-	643,155	-	5,670,452
502	Rehabilitation Services												
a	Living Skills Training	-	1,989,386	-	-	-	344,376	-	28,431	-	161,293	-	2,523,485
b	Cognitive Rehabilitation	-	-	-	-	-	-	-	-	-	-	-	-
c	Health Promotion	-	1,138,426	-	-	-	6,338	8,061	12,451	-	91,700	-	1,256,975
d	Supported Employment Services	-	4,726,420	-	-	-	3,205	-	44,908	-	400,280	-	5,174,814
e	Total Rehabilitation Services	-	7,854,232	-	-	-	353,920	8,061	85,790	-	653,272	-	8,955,274
503	Medical Services												
a	Medication Services	-	-	-	-	-	-	-	395,748	-	32,812	-	428,560
b	Medical Management	-	4,568,733	-	-	-	98,784	6,306	235,016	-	387,391	-	5,296,230
c	Laboratory, Radiology & Medical Imaging	-	1,187,799	-	-	-	-	-	708	-	95,132	-	1,283,639
d	Electro-Convulsive Therapy	-	-	-	-	-	-	-	-	-	365	-	365
e	Total Medical Services	-	5,756,532	-	-	-	98,784	6,306	631,472	-	515,699	-	7,008,794
504	Support Services												
a	Case Management	-	88,514	-	-	-	730,838	1,004,415	936,816	-	3,977,426	-	6,738,009
b	Personal Care Services	-	1,057,873	-	-	-	-	5,089	1,467,002	-	679,140	-	3,209,104
c	Family Support	-	179,585	-	-	-	69,127	-	709	-	14,381	-	263,802
d	Peer Support	-	2,206,421	-	-	-	3,403	-	107,032	-	214,165	-	2,531,021
e	Home Care Training to Home Care Client	-	-	-	-	-	-	-	-	-	-	-	-
f	Unskilled Respite Care	-	6,473	-	-	-	106,951	-	-	-	518	-	113,943
g	Supported Housing*	-	1,002,258	-	1,514,514	-	-	-	-	-	3,385,929	-	5,902,701
h	Flex Fund Services	-	-	-	-	-	-	-	-	-	200,372	-	200,372
i	Transportation	-	5,899,973	-	-	-	76,249	28,847	191,861	-	828,690	-	7,025,620
j	Total Support Services	-	10,441,097	-	1,514,514	-	986,568	1,038,351	2,703,421	-	9,300,620	-	25,984,572
505	Crisis Intervention Services												
a	Crisis Intervention - Mobile	2,272,822	-	-	-	-	-	-	279,250	-	5,596,495	-	8,148,567
b	Crisis Intervention - Stabilization	3,224,100	-	138,759	-	-	-	-	2,805,596	-	7,967,876	-	14,136,330
c	Crisis Intervention - Telephone	652,300	-	-	-	-	-	-	-	-	1,452,656	-	2,104,956
d	Total Crisis Intervention Services	6,149,222	-	138,759	-	-	-	-	3,084,846	-	15,017,027	-	24,389,853

*DISCLOSE ON SCHEDULE A

		Supported Housing for TXIX									PASRR/ ADOH	Total
		NTXIX/XXI Crisis	NTXIX/XXI SMI	NTXIX/XXI Other	SMI	SB1616 Housing	MHBG SED	MHBG SMI	SABG	Other Federal	County	
506	Inpatient Services											
a	Hospital											
1	Psychiatric (Provider Types 02 & 71)	-	-	-	-	-	-	-	-	-	2,137,582	2,137,582
2	Detoxification (Provider Types 02 & 71)	-	-	-	-	-	-	-	-	-	-	-
b	Sub acute Facility											
1	Psychiatric (Provider Types B5 & B6)	-	-	-	-	-	-	-	-	-	-	-
2	Detoxification (Provider Types B5 & B6)	-	-	-	-	-	-	-	629,870	-	-	629,870
c	Residential Treatment Center (RTC)											
	Psychiatric - Secure & Non-Secure Provider Types											
1	78,B1,B2,B3)	-	-	-	-	-	-	-	-	-	5,019	5,019
	Detoxification - Secure & Non-Secure (Provider											
2	Types (78,B1,B2,B3)	-	-	-	-	-	-	-	-	-	-	-
d	Inpatient Services, Professional	-	-	-	-	-	-	-	-	-	2,995	2,995
e	Total Inpatient Services	-	-	-	-	-	-	-	629,870	-	2,145,596	2,775,466
507	Residential Services											
a	Behavioral Health Residential Facilities	-	-	-	-	-	-	-	1,388,090	-	47,154	1,435,243
b	Reserved for Future Use											-
c	Room and Board	-	-	-	-	-	-	-	609,023	-	1,478,116	2,087,139
d	Total Residential Services	-	-	-	-	-	-	-	1,997,113	-	1,525,270	3,522,382
508	Behavioral Health Day Program											
a	Supervised Day Program	-	1,072,562	-	-	-	-	-	-	-	85,888	1,158,450
b	Therapeutic Day Program	-	-	-	-	-	-	-	69,226	-	-	69,226
c	Medical Day Program	-	-	-	-	-	-	-	-	-	-	-
d	Total Behavioral Health Day Program	-	1,072,562	-	-	-	-	-	69,226	-	85,888	1,227,676
509	Prevention Services											
a	Prevention	-	-	-	-	-	-	-	2,206,190	-	-	2,206,190
b	HIV	-	-	-	-	-	-	-	676,365	-	-	676,365
c	Total Prevention Services	-	-	-	-	-	-	-	2,882,555	-	-	2,882,555
510	Pharmacy Expenses											
a	Pharmacy Expense	-	8,888,206	-	-	-	-	-	-	-	1,102,647	9,990,853
b	Less Pharmacy Rebate Received	-	(202,462)	-	-	-	-	-	-	-	(25,379)	(227,840)
c	Pharmacy Rebate Related Expense	-	-	-	-	-	-	-	-	-	-	-
d	Total Pharmacy Expense	-	8,685,744	-	-	-	-	-	-	-	1,077,269	9,763,013
511	Other ADHS Service Expenses Not Rpt'd Above*	-	-	-	-	-	-	-	-	-	32,400	32,400
513	Subtotal Behavioral Health Service Expenses	6,149,222	35,703,057	138,759	1,514,514	-	1,988,010	1,924,911	13,797,768	-	30,963,796	92,212,437
520	Specialty and Other Grant Expenses*	-	-	48,248	-	-	-	-	-	-	282,825	331,073
540	Total Behavioral Health Services Expense	6,149,222	35,703,057	187,007	1,514,514	-	1,988,010	1,924,911	13,797,768	-	30,963,796	92,543,510
580	Total Physical Health Services Expense											-
585	Total Service Expense	6,149,222	35,703,057	187,007	1,514,514	-	1,988,010	1,924,911	13,797,768	-	30,963,796	92,543,510
589	Less: Third Party Liability											-
590	Net Total Service Expense	6,149,222	35,703,057	187,007	1,514,514	-	1,988,010	1,924,911	13,797,768	-	30,963,796	92,543,510
599	Gross Profit/(Loss) from Operations	515,374	3,000,908	11,863	127,029	-	27,012	319,736	902,761	-	4,094,576	8,999,256

*DISCLOSE ON SCHEDULE A

		NTXIX/XXI Crisis	NTXIX/XXI SMI	NTXIX/XXI Other	Supported Housing for TXIX SMI	SB1616 Housing	MHBG SED	MHBG SMI	SABG	Other Federal	County	PASRR/ ADOH	Total
Administrative Expenses:													
601	Compensation	-	-	-	-	-	-	-	-	-	-	-	-
602	Management Fee	512,056	2,971,952	11,876	126,447	-	153,181	171,774	1,125,890	-	2,692,483	-	7,765,658
603	Professional & Outside Services	408	2,228	12	98	5	134	111	861	-	2,042	-	5,900
604	Interpreter/Translation Services	-	-	-	-	-	-	-	-	-	-	-	-
605	Occupancy	-	-	-	-	-	-	-	-	-	-	-	-
606	Depreciation	4,820	28,084	147	1,189	(3)	1,557	1,520	10,853	-	24,283	-	72,450
607	Care Management	-	-	-	-	-	-	-	-	-	-	-	-
608	All Other Operating Expenses not reported above*	(6,401)	(21,519)	(196)	(1,715)	(401)	(1,128)	(412)	(9,742)	-	(36,874)	-	(78,386)
610	Subtotal Administrative Expenses	510,884	2,980,745	11,839	126,020	(399)	153,744	172,993	1,127,863	-	2,681,934	-	7,765,622
650	Encounter Evaluation Sanctions*	-	-	-	-	-	-	-	-	-	-	-	-
651	Administrative Expenses from Specialty and Other C	-	-	-	-	-	-	-	-	-	-	-	-
690	Total Administrative Expense	510,884	2,980,745	11,839	126,020	(399)	153,744	172,993	1,127,863	-	2,681,934	-	7,765,622
700	Profit (Loss) from Operations	4,490	20,163	24	1,009	399	(126,732)	146,743	(225,102)	-	1,412,642	(2)	1,233,634
710	Profit (Loss) from Other, Non-ADHS, Non- Operating & Unrelated Business*	-	-	-	-	-	-	-	-	-	-	-	-
720	Net Pre-Tax Profit/(Loss)	4,490	20,163	24	1,009	399	(126,732)	146,743	(225,102)	-	1,412,642	(2)	1,233,634
750	Income Tax												
a	ADHS Income Tax												-
b	Non ADHS Income Tax												-
799	Total Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-
800	Net After-Tax Profit/(Loss)	4,490	20,163	24	1,009	399	(126,732)	146,743	(225,102)	-	1,412,642	(2)	1,233,634

*Disclose on Schedule A

**MERCY MARICOPA INTEGRATED CARE
STATEMENT OF ACTIVITIES
STATE FISCAL YEAR TO DATE AS OF:
Schedule A Disclosure**

March 31, 2015

[illegible]

MERCY MARICOPA INTEGRATED CARE
STATEMENT OF ACTIVITIES
STATE FISCAL YEAR TO DATE AS OF:
Schedule A Disclosure

March 31, 2015

	NTXIX/XXI Crisis	NTXIX/XXI SMI	NTXIX/XXI Other	Supported Housing for TXIX SMI	SB1616 Housing	MHBG SED	MHBG SMI	SABG	Other Federal	County	PASRR/ ADOH	Total
DISCLOSURE OF ALL OTHER OPERATING ON LINE 608												
Board Meeting Expenses	11	70	0	3	(0)	3	4	27	-	56	-	175
Dues & Filing Fees	199	1,161	6	49	(0)	64	63	449	-	1,001	-	2,992
Bank Service Charges	1	12	0	0	(0)	0	1	5	-	6	-	26
RFP Expenses	(14,464)	(72,208)	(400)	(3,369)	(398)	(4,869)	(3,137)	(27,939)	-	(71,633)	-	(198,418)
Office Equip	162	882	5	39	2	53	44	341	-	809	-	2,337
Marketing	73	398	2	18	1	24	20	154	-	364	-	1,053
Promotions & Sponsorships	844	5,065	26	211	(6)	270	284	1,957	-	4,265	-	12,917
Insurance - General Liab	5,422	31,452	165	1,335	1	1,753	1,694	12,155	-	27,299	-	81,275
Interest on Claims	-	3,148	-	-	-	-	-	-	-	959	-	4,106
Total All Other Operating	(7,753)	(30,020)	(196)	(1,715)	(401)	(2,701)	(1,027)	(12,852)	-	(36,874)	-	(93,538)
DISCLOSURE OF ENCOUNTER EVALUTION SANCTIONS ON LINE 650												
Itemization of Items Reported on Line 650												-
Total Encounter Evaluation Sanctions	-	-	-	-		-	-	-	-	-	-	-
DISCLOSURE OF ADMINISTRATIVE EXPENSES FROM SPECIALTY AND OTHER GRANTS ON LINE 651												
Itemization of Items Reported on Line 651												-
Total Adm Expenses from Specialty and Other Grants	-	-	-	-		-	-	-	-	-	-	-
DISCLOSURE OF OTHER, NON-ADHS, NON-OPERATING AND UNRELATED BUSINESS EXPENSES LINE 710												
Community Reinvestment												-
Total Other, Non-ADHS, Non-Operating and Unrelated Business Exp	-	-	-	-		-	-	-	-	-	-	-

MERCY MARICOPA INTEGRATED CARE
FOOTNOTES TO FINANCIAL STATEMENTS
As of: March 31, 2015

1. ORGANIZATIONAL STRUCTURE

Organization operations - Effective January 22, 2013, Mercy Maricopa Integrated Care (MMIC) was incorporated in the State of Arizona. The initial members of MMIC are Southwest Catholic Health Network Corporation dba Mercy Care Plan (SCHN), Dignity Health (Dignity), Carondelet Health Network (Carondelet), and Maricopa County Special Health Care District (District), collectively the "members". The agreements also provide that SCHN will serve as the managing member of MMIC.

MMIC is located at 4350 E. Cotton Center Blvd, Phoenix AZ. MMIC was formed to provide physical and behavioral health care services on an integrated basis to Medicaid eligible adults with serious mental illness, and to operate as the Regional Behavioral Health Authority (RBHA) to coordinate the delivery of health care services to eligible persons in Maricopa County, Arizona. MMIC was initially funded through a \$30 million capital contribution from SCHN and a \$5M capital contribution from District.

MMIC has entered into a management agreement with Aetna effective May 1, 2013, which automatically renews for successive one-year periods for five years. SCHN also contracts with Aetna separately to provide management services. Under the terms of MMIC's management agreement, MMIC pays a monthly fee to Aetna, as defined in the agreement, to cover the employee salary and benefit costs and general and administrative expenses incurred to operate the organization. Management fees of \$80,664,097, were paid to Aetna as of March 31, 2015. Of this \$80,664,097, \$109,027 is reported as sanctions.

MMIC also paid related third parties the following amounts for claims payments; \$5.8M Dignity Health, \$450k Carondelet and \$25M for Maricopa Integrated Health System.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation - The accompanying financial statements have been prepared in accordance with FASB ASC 954-205, Health Care Entities – Presentation of Financial Statements. MMIC's financial statements are also presented in accordance with FASB ASC 958-205, Not-for-Profit Entities – Presentation of Financial Statements. Under FASB ASC 958-205, MMIC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. As of March 31, 2015, there were no temporarily restricted or permanently restricted net assets.

Cash and cash equivalents - Cash includes cash deposits in banks and cash equivalents. MMIC considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Amounts at each institution are insured in limited amounts by the Federal Deposit Insurance Corporation (FDIC).

Notes Receivable of \$5M is due from Maricopa County Special Health Care District and is due one year after the implementation of the RHBA contract. District may prepay the obligation in whole or in part without prepayment penalty or premium. After the maturity date, at the option of MMIC, all amounts outstanding shall bear interest at the rate of three percent (3%) per annum until paid. So long as all amounts owing on this Note have not been paid in full, District shall have no right under the Member Agreement to contribute cash and increase District's percentage interest.

Long Term Investments of \$520,567 are restricted U.S. government securities held by a bank required to remain in trust by the State of Arizona, Department of Insurance for the duration of the contract with ADHS. This is related only to the Medicare Business.

MMIC has a contract with RGA Reinsurance Company for reinsurance of acute claims. Deductible level is \$500K and co-insurance is 10%. MMIC reviews claims payments to determine claims that are eligible for reinsurance. As of March 31, 2015 there was a Reinsurance Recovery of \$317,731.

Capitalized software costs - Research and development costs are charged to expense as incurred. However, the costs incurred for the development or purchases of computer software that relate to the implementation of the claims processing system are capitalized when technological feasibility has been established. These capitalized costs are subject to an ongoing assessment of recoverability based on anticipated useful lives and changes in hardware and software technologies. Costs that are capitalized include direct labor and related overhead.

Amortization of capitalized software development costs begins when the product is available for release and installation. Amortization is provided on a straight-line method over periods not exceeding five to seven years. Unamortized capitalized software development costs determined to be in excess of net realizable value of the product is expensed immediately. Capitalized software cost totaled \$3,845,414 at March 31, 2015. Amortization of capitalized software costs began April 1, 2014 when the product was available for release and is being amortized over five years.

Payable to Providers totaling \$5M is due to CVS Invoice accrual of \$2.7M, Housing accrual of \$.8M and Block accruals \$1.5M.

Incurred But Not Reported Claims - Generally, IBNR is based on historical experience and reviewed monthly by the actuarial department. Due to no historical experience being available at this time the IBNR was based on Medical Loss Ratio estimations.

Received But Unpaid Claims - RBUC's are determined by totaling claims received after the final check run. This amount is included in the final IBNR balance. This also includes any Pharmacy Claims received and unpaid at month end.

IBNR Physical Health balance is \$11,101,063 and Behavioral Health is \$64,027,395
RBUC Physical Health balance is \$3,242,109 and Behavioral Health is \$1,978,517

Due to District - consists of \$9.7M payable to Maricopa County Special Health Care District. Under the terms of the membership agreement, any time after three years from the ADHS contract start date, provided that District has paid the promissory note in full, District may require that the Organization purchase the membership interest of District via a put option. The purchase price of District's membership interest shall consist of the initial funding, without interest, and any remaining accrued or deferred distributions (a 15% relative interest). Due to the put option associated with the initial funding, the \$10 million net of the change in net assets attributable to District for District's relative interest is classified as a non-current liability in the accompanying statement of financial position.

Revenue - ADHS/DBHS TXIX/TXXI Capitation revenue is accrued and recognized using the number of eligible clients provided by ADHS multiplied by the approved capitation rates currently being paid, unless the most recent proposed capitation rates were already approved and are awaiting payment. Non-capitated revenue is accrued using 1/12th of the ADHS/DBHS Allocation Schedule.

Service Expenses paid via block payment are allocated to the fund types (TXIX Child, TXIX SMI, etc.) based on the year-to-date block payments. Within a fund type, the allocation by service line is typically based on the year-to-date encountered claims data. However due to the lack of encounter data at this time, the expenses were allocated on the previous RBHA's historical encounter data. FFS expenses include both paid claims and estimated IBNR. Due to lack of

historical FFS expense data, for the month of June the FFS expenses were estimated based on Medical Loss Ratio analysis. Pharmacy expenses are booked to the fund types based on actual pharmacy expenses paid year-to- date. Non-encounterable services (SABG Prevention, SABG HIV, Bridge Subsidy Housing grant) are directly allocated based on actual and estimated expenses incurred year to date.

Administrative Costs defined by ADHS/DBHS include, but are not limited to management service agreement expenses, professional and outside services, insurance, bank fees, etc. These costs are indirect cost as they are incurred for the common benefit of multiple direct program service activities and are grouped according to the nature of the cost. These costs are allocated in accordance with one of the methodologies described below.

- Administrative Cost Allocation Methodologies -
- A.) Management Service Agreement Cost - Payment is defined by the management service agreement and is specifically identifiable to individual programs.
 - B.) Other Administrative Costs are allocated to individual programs based upon proportionate service expense.

Management's use of estimates - The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income taxes - MMIC's application for its tax exempt status under Section 501(c)(3) of the Internal Revenue Code has been approved by the Internal Revenue Service.

3. OTHER AMOUNTS -
There are no "other" amounts not detailed in Schedule A Disclosures.

4. PLEDGES, ASSIGNMENTS AND GUARANTEES
MMIC has no pledges, assignments, or collateralized assets. There are also no guaranteed liabilities not disclosed on the balance sheet.

5. PERFORMANCE BONDS
MMIC has the following Surety Bonds and amounts at March 31, 2015
Argonaut - \$20,000,000
Liberty Mutual - \$25,500,000
Westchester Fire - \$20,000,000

6. MATERIAL ADJUSTMENTS
There were no material adjustments

7. INCURRED BUT NOT REPORTED (IBNR) CLAIMS PAYABLE ANALYSIS
Incurred But Not Reported Claims - Generally, IBNR is based on historical experience and is reviewed by the actuarial department. Due to no historical experience being available at this time the IBNR was based on Medical Loss Ratio estimations.

8. CONTINGENT LIABILITIES
In the opinion of management, no legal matters exist that would have a material adverse effect on the financial position of MMIC.

9. NON-COMPLIANCE WITH FINANCIAL VIABILITY STANDARDS AND PERFORMANCE GUIDELINES
There were General Fund Excess Profits for NT SMI, NT Crisis, TXIX Supported Housing and SB1616 due to administrative expenses being less than 8%.

10. FLUCTUATIONS IN STATEMENT OF FINANCIAL POSTION ACCOUNTS

Net AR increased for the following; \$1.8M SABG Gen Svcs, \$3M SABG Pregnant Women, \$.6M SABG Prevention, \$2M NT SMI and decreased (\$.7M) for SABG Crisis. There was also and increase of \$2M for CVS Rebate Receivable, \$.7M for Part D CMS Recon & \$.3M Due to Aetna.

Prepaid expense increased \$667k for prepaid block expense and decreased (\$145k) for amortization of bond premium and insurance prepaid expenses.

Net Property & Equipment - Decrease is due to monthly depreciation expense - \$192k.

RBUC's are determined by totaling claims received after the final check run. This amount is included in the final IBNR balance. This also includes any Rx claims received and unpaid at month end. The amount increased as the number of claims increased.

Payable to ADHS - Decrease is due to settlement of FY14 NT SMI Payable of \$706k and decrease for MHBG SMI Payable of \$50k. There was an increase for the following; NT Crisis \$20k, NT SMI \$104k and \$105k for ADHS Sanctions.

Payable to Providers - increase in CVS \$2.4M and increase in Housing accruals \$.5M.

Other Current Liabilities - (\$4.2M) decrease in Due to Aetna for Start up expenses being reconciled & settled and \$647k increase for Community Reinvestment.

Unrestricted Net Assets - Increase in Net Income \$8.7M.

11. PHARMACY REBATES -
The total year to date pharmacy rebates are \$2,425,662 and are reported on line 510b.

12. INTEREST ON LATE CLAIMS - The total year to date interest on late claims is \$96,632 and is reported as Administrative Expense line 608 and detailed in the Statement of Activities Schedule A.

13. SANCTIONS - The total year to date sanctions are \$109,027 and are reported in the Administrative expense line 608 and detailed in the Statement of Activities Schedule A.

14. PROVIDER ADVANCES / INCENTIVES -
There were Provider Advances paid to Christian Family Care Agency in September of \$125,000 & Destiny Sober Living \$73,000 in May 2014. There no remaining balances as of March for provider advances.

15. SHARED SAVINGS ARRANGEMENTS - N/A

16. BLOCK GRANTS
SABG Children's expenses SFYTD 15 - \$815,895
SABG Children's expenses SFYTD 14 - \$233,849
SABG MAT SFYTD - \$0
MHBG Evidence Based Practice Expense - \$0

17. PRIOR PERIOD ADJUSTMENTS - N/A

MERCY MARICOPA INTEGRATED CARE
Comparison Between Actual NTXIX SMI Expenses to Plan
STATE FISCAL YEAR TO DATE AS OF: March 31, 2015

		As Reported NTXIX/XXI SMI	% of ADHS Service Revenue	Plan	% of ADHS Service Revenue	Variance (Overspent) Underspent	% (Over) Under Plan
Enrollment (For ADHS Input Only)							
REVENUE							
Revenue Under ADHS Contract *		38,703,965		38,703,965			
Service Revenue **		35,723,220	100.0%	35,723,220	100.0%		
EXPENSES							
Service Expenses:							
502	Rehabilitation Services						
a	Living Skills Training	1,989,386	5.6%	827,707	2.3%	(1,161,679)	-58.39%
c	Health Promotion	1,138,426	3.2%	490,123	1.4%	(648,303)	-56.95%
d	Supported Employment Services	4,726,420	13.2%	1,944,058	5.4%	(2,782,363)	-58.87%
e	Total Rehabilitation Services	7,854,232	22.0%	3,261,887	9.1%	(4,592,345)	-58.47%
503	Medical Services						
a	Medication Services	-	0.0%	0	0.0%	0	
b	Medical Management	4,568,733	12.8%	7,384,704	20.7%	2,815,971	
c	Laboratory, Radiology & Medical Imaging	1,187,799	3.3%	309,720	0.9%	(878,079)	
501b	Assessment, Evaluation and Screening	1,892,890	5.3%	1,710,428	4.8%	(182,462)	
510 d	Total Pharmacy Expense	8,685,744	24.3%	5,148,430	14.4%	(3,537,314)	
	Total Medical Services	16,335,166	45.7%	14,553,282	40.7%	(1,781,884)	-10.91%
504	Support Services						
a	Case Management	88,514	0.2%	9,074,055	25.4%	8,985,541	10151.54%
b	Personal Care Services	1,057,873	3.0%	378,309	1.1%	(679,564)	-64.24%
c	Family Support	179,585	0.5%	308,649	0.9%	129,063	71.87%
d	Peer Support	3,278,983	9.2%	2,544,208	7.1%	(734,775)	-22.41%
f	Unskilled Respite Care	6,473	0.0%	32,508	0.1%	26,035	402.19%
g	Supported Housing	1,002,258	2.8%	3,782,732	10.6%	2,780,474	277.42%
i	Transportation	5,899,973	16.5%	1,787,590	5.0%	(4,112,383)	-69.70%
j	Total Support Services	11,513,659	32.2%	17,908,050	50.1%	6,394,391	55.54%
525	Total Service Expenses	35,703,057	99.9%	35,723,220	100.0%	20,163	0.06%

*Revenue decreased by: (Amount of Payable to ADHS)

**Revenue less Administrative expenses

Admin % Per Plan 7.40%
Admin Standard 8.00%

*Enter Actual Admin % here if Actual Admin exceeds 7.5% 7.83%

On a quarterly basis, provide justification regarding variances from approved NTXIX/XXI SMI spending plan. Include outcomes and indicate where efforts will be focused in order to align service expenses with targeted percentages.

Variance Justification:
Current allocation is based on prior RBHA due to lack of current claims and lag time. Allocations will be updated when adequate claims information is received.

MERCY MARICOPA INTEGRATED CARE
STATEMENT OF CASH FLOWS
CONTRACT YEAR TO DATE AS OF:

March 31, 2015

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Changes in Net Assets	24,594,304
Adjustments to Reconcile Excess of Revenue Over/(Under) Expenses to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization	769,083
Bond Amortization	-
Non-cash provision for income taxes	-
Net Unrealized (gains) losses on investments	(370)
(Gain) loss on sale of investments	-
(Gain) loss on sale of assets	-
(Increases)/Decreases in Assets:	
Accounts Receivable	(12,368,319)
Notes Receivable	(5,000,000)
Prepaid Assets	(1,021,868)
Due from Affiliates, Net	(307,224)
Increases/(Decreases) in Liabilities:	
IBNR	77,617,796
RBUC	5,586,036
Accounts Payable to ADHS	234,547
Deferred Revenue	-
Accounts Payable and Other Accrued Liabilities	4,976,578
Due to District	9,738,897
Due to Affiliates, Net	-
Other Liabilities	1,474,557
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<hr/> 106,294,017
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Proceeds from Sale of Property & Equipment	-
Purchases of Capitalized Software	(3,845,414)
Maturity of Investments	-
Purchase of Investments	(520,000)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<hr/> (4,365,414)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>	
Contributions from Member Organizations	68,158,474
Dividends Paid	-
Issuance of Common Stock	-
Payment of Other Debts (Describe on Schedule A)	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<hr/> 68,158,474
NET INCREASE/(DECREASE) IN CASH	170,087,077
BEGINNING CASH	<hr/> -
ENDING CASH BALANCE *	<hr/> <hr/> 170,087,077

*NOTE: ENDING CASH BALANCE MUST AGREE WITH TOTAL CASH BALANCE ON BALANCE SHEET

**MERCY MARICOPA INTEGRATED CARE
STATEMENT OF CASH FLOWS
CONTRACT YEAR TO DATE AS OF:
Schedule A Disclosure**

March 31, 2015

Describe:

1. Sources and amounts of cash received for other grants.
2. Underlying transactions for acquisition of debt.
(Debtor, amount, purpose of loan, term, interest rate of debt acquired)
Member Contribution - Southwest Catholic Hlth Network
3. Underlying transactions for retirement of debt.
(Debtor, amount paid off.)
4. Cash Flows From Financing Activities - Payment of Other Debt
5. Supplemental data or non-cash investing and financing activities, gifts, etc.